CITY OF NEW ORLEANS

CHIEF ADMINISTRATIVE OFFICE

POLICY MEMORANDUM No. 9 (r)

July 27, 2010

To: All Department, Board, Agencies and Commissions

From: Andrew D. Kopplin, First Deputy Mayor/ Chief Administrative Officer

Subject: TRAVEL AND BUSINESS EXPENSES

I. PURPOSE

This policy memorandum is republished to improve internal controls by the establishment of additional official city business travel guidelines for authorized employees.

II. DEFINITIONS

A. AUTHORIZED PERSON(S)

The Appointing Authority's deemed person(s) as an authorized traveler for official city business.

B. CONFERENCE AND CONVENTION

A non- routine meeting organized for a specific purpose and/ or objective, such as a seminar, conference, convention or training.

C. OUT-OF-STATE TRAVEL

Travel to any of the other 49 states, including the District of Columbia, Puerto Rico, the Virgin Islands, America Samoa and Guam.

D. INTERVATIONAL TRAVEL

Travel outside the 50 United States and its territories.

E. RECEIPTS AND DOCUMENTATION

Records of expenditures (except per diem) to support costs associated with official city business travel.

F. TRAVEL PERIOD

The period of time between the time of departure from the City of New Orleans and the time of return to the City of New Orleans. The travel period ends on the last day of a non-routine meeting, seminar, conference or training. Employees must return to the domicile (City of New Orleans) or the base office on the ending date of the travel purpose unless an extension of the travel period has been pre-approved by the respective Deputy Mayor or unless return transportation is cancelled or delayed.

All travel should be directly related to the employee's duties and responsibilities.

III. TRAVEL GUIDELINES

A. Lodging Rates

Employees must obtain "best rate" for hotel/motel accommodations. Employees are required to seek the government rate, conference rate, or the lowest possible nightly rate for a standard single occupancy room. Expedia, Travelocity, Hotel.com etc., using the similar search criteria (such as length of stay, time of arrival, etc.) are acceptable methods of providing price quotes for pre-travel period approval.

B. Sales Tax

Government employees must present sales tax exemption documentation when securing hotel accommodations for official city business travel. Documentation includes, L.R.S. 47:301(1) AND 47:301(8) and Code of the City of New Orleans 150-801. (See attached letter from the Director of Finance).

C. Conference Registration Fees

Registration Fees associated with official city business travel must be included with the Travel Authorization Form and approved by the Deputy Mayor to whom the requesting department reports. Deluxe or luxury registration packages are strictly prohibited.

D. AIRFARE

Employees are required to purchase the lowest airfare available. The city 's contracted travel agency, Going Places, may be used to obtain flight schedules and pricing; however, two (2) other direct price quotes from commercial airlines must also be obtained for coach, economy or business class flights and included with Travel Authorization Form. Employees who choose an upgrade from coach, economy or business class flights are solely responsible for the difference in cost. Expedia, Travelocity, Hotels.com, etc., using the similar search criteria (such as flight times, date of departure, return flight date and time, etc.) are acceptable methods of providing prices quotes for pre-travel period approval.

- 1. Airfare quotes and arrangements must be obtained at least fourteen (14) days prior to departure, except when documented support indicates the inability to comply with the 14 day advance ticket purchase guideline.
- 2. International flight arrangements must be supported by the stated documentation as Out-Of-State travel.
- 3. International flight with a flight duration greater than ten (10 hours provides for employees to purchase a business class flight at a rate not to exceed 110% of the coach rate. Documentation of the length of the flight must be provided with the Travel Expense Account form.

E. Per Diem

Employees approved for official city business travel will be provided with a maximum Per Diem of \$58.00 per day during the travel period. The Per Diem for international travel is provided at a maximum rate \$85.00 per day. Employees must determine the appropriate Per Diem based on the destination city through the "Meal and Incidental Expense" listing provided by the Internal Revenue Service

(<u>www.irs.gov/publications/p1542</u>). Employees are entitled to the maximum Per Diem rates determined regardless of whether the entire Per Diem rate is used.

Meals provided as a part of a conference and/or included in the conference registration fee should not be reimbursable and the proper amount should be deducted from the Per Diem.

F. Vehicle Rental

Justification and cost effectiveness of the vehicle rental during the travel period, along with competitive rental and insurance rates must be submitted with a request for prior approval to the respective Deputy Mayor to whom the department reports. If approved, employee(s) then are authorized to rent at the cost of a compact car, unless a larger vehicle is being used to transport more than three authorized city travelers, or, if the larger vehicle's cost is provided at the same rate as a compact vehicle. Supporting documentation of same is required. Unauthorized persons are prohibited from traveling in rented vehicles.

On board navigation systems (GPS) may be requested by employees for use in a rented vehicle while traveling on official city business, provided justification is included with the request for prior approval with the Appointing Authority and respective Deputy Mayor.

G. Rental Vehicle Insurance

Authorization for vehicle rental also provides for the purchase of insurance. Employees may purchase Collision Damage Waiver (CDW), Loss Damage Waiver (LDW), Supplemental Liability Insurance (SLI) or Theft/ Super-Theft Protection.

H. City-Owned Vehicles

City-owned vehicles may be used for travel with prior approval of the respective Deputy Mayor, provided that the travel distances is less than 500 miles from the base office or domicile of the employee and if said use is the most cost effective means of travel. No person should be authorized to operate a City Vehicle unless that person is a classified or unclassified employee of the City of New Orleans; any duly appointed member of the City Council or any other person who has received specific written approval from the Department Head or Deputy Mayor. A centralized file should be kept containing all said approvals.

I. Privately Owned Vehicles

Employees may use privately owned vehicles for travel provided that and travel distances is less than 500 miles from the base office or domicile of the employee and if said use is the most cost effective method. The use of privately owned vehicle for official city business travel must be pre-approved by the Appointing Authority and respective Deputy Mayor. Justification signed by the employee and the Appointing Authority for use of a privately owned vehicle must accompany the Travel Authorization Form. If approved by the respective Deputy Mayor, the employee is responsible for all operating expense associated with the travel by privately owned vehicle.

J. Mileage

Mileage must be computed and printed by using Map Quest of Google Maps to obtain

the distance from the employee's domicile or the base office to travel destination. The printed calculations should be submitted with Travel Authorization and Travel Expense forms. The mileage rate is set at 0.55 cents per mile in accordance with the Internal Revenue Service approved rate.

K. Grounds Transportation

Grounds Transportation, the use of mass transit such as buses, subways, elevated trains, taxi, cabs, and shuttles are the recommends methods of transportation, except when authorization has been provided for a rental vehicle.

L. Credit Card Use

Authorized employees may use a city issued credit card to purchase airline tickets, lodging, transportation, and eligible expense related to official city business travel.

IV. TRAVEL AUTHORIZATION AND EXPENSE ACCOUNT FORMS

- A. All travel requests are initiated using the Travel Authorization Form (TAF). See attached form. The TAF must be signed by the employee and Department Head prior to the submission to the respective Deputy Mayor.
- B. Employees who report directly to the Mayor must obtain the Mayor's signature on the TAF.
- C. Copies of the approved TAF must be retained in the department's files and must accompany the payment document for any advance of funds and the travel expense account form.

V. TRAVEL ADVANCE

- A. A travel advance may be requested using a payment document accompanied by a properly signed Travel Authorization Form. The payment document and signed TAF must include itemized documentation (i.e., secured airline tickets, hotel accommodations, registration fees, etc.) of all funds requested. The transaction may be completed using Buy Speed for general fund expenditures or AFIN for non-general fund expenditures.
- B. The travel advance may be requested up to thirty (30) days prior to the beginning of the travel period to ensure receipt of funds.
- C. An authorized employee may receive in advance, fifty-eight dollars (\$58.00) Per Diem per day of the travel period for meals, except when travel begins at 6:00 p.m. or later or ends at noon or earlier on the last day of travel.
- D. An authorized employee may receive the cost of airfare in advance provided the guidelines described herein Section III are followed.

- E. An authorized employee may receive the cost of conference or convention registration fees in advance, if applicable. Registration fees will be paid or reimbursed for the standard registration cost. Deluxe or luxury packages are strictly prohibited.
- F. An authorized employee may receive the cost of a rental vehicle in advance provided the respective Deputy Mayor has issued prior said vehicle.
- G. An authorized employee is responsible for incidental travel expenses that are not covered by the Travel and Business or Credit Card Policy.
- H. Official entertainment expenses are reserved for Economic Development purposes and the Mayor and his or her (legal) spouse while engaged in official city business travel. Said expenses are not eligible for travel advance.
- I. Travel advances shall be for a specific employee and to a specific destination only. In case of cancellation of travel, the travel advance payment must be returned.
- J. Travel advance checks shall not be drafted to any employee other than the employee named on the Travel Authorization documents.
- K. Non-refundable ticket, if purchased for travel and not used must be returned to the Authority for other possible use before the expiration period allowed by the airline.
- L. When not using a city contracted travel agency, employees may secure travel arrangements such as airfare, hotel accommodations and registration fees by using a personal credit card. Written proof from the airline, hotel, and registration fees must accompany the Travel Authorization Form request. The amount received with a travel advance must be included in the Travel Expenses Account form.

Only the items expressly listed within this section of the policy will be considered for an advance of funds.

VI. ELIGIBLE REIMBURSEMENT TRAVEL EXPENSES

- A. Airfare is eligible provided the employee has complied with the guidelines for the purchase of airline tickets.
- B. Hotel accommodations are eligible provided the employee has complied with the guidelines for securing said accommodations.
- C. Hotel Laundry services will be reimbursed only if the authorized employee's travel period extends beyond seven (7) days.
- D. Hotel Internet services are eligible.

- E. Hotel Communication services (phone calls) will be reimbursed, but are limited to five dollars (\$5.00) during the travel period.
- F. Luggage fees for one (1) checked bag for travel of five (5) days or less or two (2) bags for travel of six (6) or more days are eligible.
- G. Mileage is eligible for reimbursement from their residence to the official destination, from the official destination to the residence, and any locations in between that are for official business less the round-trip mileage from the residence to their base office. Employees departing from the office to the final destination are entitled to the full mileage from the office to their final destination.
- H. Parking costs (at the best rate) for city-owned vehicles, including airport parking are eligible for the authorized travel period only. Parking fees for authorized rental vehicles are also eligible for the authorized travel period only. Receipts for expenses exceeding \$5 require a receipt.
- I. Tolls and Ferry fares are eligible. Receipts are not required for toll or ferry fares under \$5.
- J. Operating expenses such as gasoline for the pre-approved use of a rental car, city owned or privately owned vehicle for travel are eligible. However, mechanical failure of failure of privately owned vehicles due to improper or infrequent vehicle maintenance is not subject to reimbursement.
- K. All purchases related to City-owned vehicles made with a city issued credit card should be signed by the employee who holds the credit card and who is the authorized operator of the city vehicle. The license plate number, the city vehicle inventory number (or A-number) along with a detailed receipt of purchases and justification of purchases must be submitted with the Travel Expenses Account Form. Items incidental to the operation of the vehicle may be purchased with a city issued credit card only when an employee is away from their residence on travel status.
- L. Only the registered owner of a vehicle used for travel is eligible for reimbursement of mileage and operating expenses when two or more employees are authorized to travel by a privately owned vehicle. A list of authorized employees traveling together in a city-owned or privately owned vehicle should be provided with the Travel Expense Account Form.
- M. Employee may be allowed to retain promotion items, including frequent flyer miles earned while on official city business.

Only the expenses expressly listed in this section here are eligible for reimbursement.

VII. INELIGIBLE REIMBURSEMENT TRAVEL EXPENSES

- A. Upgrades for airfare or hotel accommodations at the expense of the City are not permitted, unless the airline or hotel is unable to provide the allowable accommodations at the time necessary to carry out the purpose of travel. Companion and/or spouse fares are not reimbursable. Written proof from the airline or hotel must be submitted with the Travel Authorization Form and must be approved by the respective Deputy Mayor.
- B. Change of plans will not be permitted unless written support of the following circumstances: 1) injured on duty; 2) funeral leave; 3) scheduled training; 4) military leave; 5) maternity leave; 6) family medical leave; 7) official emergency leave; and, 8) changes requested by the Appointing Authority or Deputy Mayor.
- C. Expenses not supported by receipts will not be reimbursed to the employee.
- D. Any expenses charged to the hotel room for the entertainment or convenience of the employee is strictly prohibited (i.e., movies, mini-bar items, fitness center use, etc.)
- E. Expenses charged to city issued credit card which are deemed ineligible and are not within the guidelines of this policy will not be paid by the city; and therefore, will be the responsibility of the employee.
- F. Gasoline purchases beyond the expiration of the travel period will not be reimbursed.
- G. Ground transportation not related to the specified travel purpose will not be reimbursed.
- H. Meals paid for with the city issued credit card renders the employee ineligible to receive a Per Diem. Meals may not exceed the Per Diem authorized amount of \$58.00 per day.
- I. Overweight luggage fees will not be reimbursed unless they result from the transportation of business material and/or equipment for travel.
- J. Laundry services will not be reimbursed for a travel period of less than seven (7) days.
- K. Separate flight insurance policies will not be reimbursed.
- L. Employees authorized to have use of a city issued credit card may not exceed the established credit limit, unless approved by the respective Deputy Mayor. Any over the credit limit fees generated by purchases will be the sole responsibility of the employee and must be remitted to the city.

VIII. TRAVEL INSURANCE POLICY

A. The City provides a blanket air travel insurance policy for City employees. This employee policy will cover all employees who travel on City business provided the employees receive prior approval for travel.

- B. The air travel policy covers City employees only while in transit on airplanes and only on scheduled flight of commercial airlines. The amount of coverage is \$125,000.00 per person.
- C. The estate of the City employee shall receive the insurance payments, unless designated to a specific beneficiary. Designation of a specific beneficiary may be included on the Travel Authorization Form.
- D. Reimbursement will not be employee who made by City to any purchases Flight Insurance, Personal Accident Insurance (PAC), and/or Emergency Sickness Protection (ESP).

IX. TRAVEL EXPENSE RECONCILATION

- A. The reconciliation of all travel expenses must be documented using the Travel Expense Form. The form is required whether or not expenses equal to the amount advanced prior to the travel period. The Travel Expenses Form must be accompanied by all original receipts of expenses. Receipts are required for airfare, lodging, registration fees, ground transportation, gasoline for pre-authorized rental vehicle and related eligible expenses, including funds advance to the employee.
- B. The Travel Expense Form must be filed with supporting documentation of expenses no later than ten (10) days after the expiration of the travel period. Failure to submit the Travel Authorization Form and supporting documentation will result in forfeiture of any reimbursement that may be due to the employee.
- C. The reconciliation of travel expenses which results in overpayment by the City requires that the employee reimburse the city within ten (10) days of the travel period expiration.
- D. The Mayor and his/her (legal) spouse and the authorized employees of the Mayor's Office of Economic Development are eligible for reimbursement of funds used for Official Entertainment, if not charged to a city issued credit card. All other employees will not be reimbursed for Official Entertainment expenses.

Employees are responsible for maintaining original copies of all receipts and reviewing all charges for accuracy for submission with the Travel Expense Account form. Any additional documentation requested by the Appointing Authority, Deputy Mayor or the Finance Department is the sole responsibility.

X. OFFICAL BUSINESS EXPENSE

Unless otherwise noted in the Travel Expense portion of this policy, all expenses must have the supporting receipts attached to the Travel Expense Account Form. Lack of compliance to policies will be referred to the First Deputy Mayor and may result in disciplinary action.

XI. ENFORCEMENT

The Department of Finance, Bureau of Accounting is responsible for reviewing travel advance requests and travel expense account reconciliations for accuracy and compliance prior to the release of reimbursements. Any requests for travel advance or reimbursement must be returned to the originating department if receipts are insufficient or not included with the appropriate forms. Finance will ensure settlement of travel expenses are made to employees within ten (10) business days of submission.

XII. INQUIRIES

Inquiries regarding this policy may be addressed to the Chief Administrative Office, Employee Relations Division at 658-8615.

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